

DECEMBER 2004 HIGHLIGHTS

For the past nine months, construction activity in New Jersey exceeded \$1 billion. In December, the estimated cost of work reported on building permits totaled \$911.2 million. Housing accounted for \$621.3 million, 68.2 percent. Nonresidential construction was \$289.9 million. The number of municipalities reporting for the month was 554.

Top Town

Ewing Township in Mercer County had the most work. This was due to several building permits for a new, market-rate condominium development, the Madison. Ewing's construction office issued building permits for 193 new dwellings in December. Only the City of Newark in Essex County had more with 285 authorized units for the month. Newark had \$21 million of construction, second among all localities in December.



The Madison condominium development in the Township of Ewing, Mercer County. Each building will have 32 dwelling units. The Township construction office issued building permits for six buildings in December.

Other top municipalities for the month were Monroe Township in Middlesex County (\$17.1 million) and Jersey City in Hudson County (\$16 million). Housing construction accounted for most of the activity in both places.

Year to Date

Although end-of-year figures are preliminary, as not all towns have reported, 2004 is a record year, mainly because of a strong demand for housing. The estimated cost of construction authorized by building permits was \$13.5 billion. This was \$1.39 billion more than last year, an increase of 11.4 percent over last year's record level. Housing accounted for \$7.939 billion, 58.6 percent of all activity.

Housing units authorized by building permits totaled 39,115. The last time authorized housing reached this level was in the mid-1980s. Office space is up by more than a million square feet compared to last year (10.9 percent). Retail space is 1.2 million square feet (20.5 percent) below last year's level.

New Jersey cities were among the top performers. Jersey City had the most work, \$242.7 million. Nearly 65 percent was residential construction. The City had 2,156 authorized units in 2004, more than any other municipality.

Atlantic City in Atlantic County had \$222.6 million of construction. Two of the bigger developments underway were a 1.4-million square-foot parking garage for Caesar's Atlantic City hotel and casino, and renovation of a time-shared apartment building. The Township of Monroe had \$216.9 million. Several big residential and commercial projects accounted for this work, including a middle school addition, a new warehouse for Barnes & Noble bookstores, and 684 authorized housing units. Franklin Township in Somerset County had \$201.6 million of construction. Housing comprised 86 percent of this amount. Franklin had 1,126 authorized housing units in 2004, ranking third among all localities. Newark reported \$187.8 million of construction. Housing made up over 64 percent of this total. This municipality's construction office issued building permits for 1,702 new houses, second only to Jersey City. Two other cities among the top localities in 2004 were New Brunswick in Middlesex County and Hoboken in Hudson County. The City of New Brunswick reported \$164.8 million of work. The biggest permit issued this past year was a mixed-use development with condominiums, shops, parking, and a new hotel and conference center. The City of Hoboken had \$150.3 million of construction for the year, nearly 89 percent of which was for housing. The City had 882 authorized housing units this year, fifth highest among all municipalities.

Major Construction Indicators, New Jersey: November Year-to-Date Figures Compared to Annual Totals				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
1996	\$7,028,424,990	27,577	6,229,515	4,880,139
1997	\$8,346,533,144	30,017	10,409,171	5,688,955
1998	\$9,396,755,517	35,676	12,703,824	7,921,892
1999	\$10,584,167,530	37,536	13,237,891	6,229,471
2000	\$11,387,683,514	38,065	15,531,039	6,063,412
2001	\$12,007,456,630	35,680	19,134,533	7,244,833
2002	\$12,079,942,099	34,589	9,261,054	7,560,913
2003	\$12,148,747,807	35,171	9,744,146	6,038,428
2004 (preliminary)	\$13,539,030,969	39,115	10,804,274	4,800,014
<i>Difference Between 2003 and 2004 (preliminary)</i>				
2003 – 2004 (year to date)	\$1,390,283,162	766	1,060,128	-1,238,414
Percent Change	11.4%	2.2%	10.9%	-20.5%
Source: N.J. Department of Community Affairs, 2/7/05				

House Prices

The price of a new house increased by 2.9 percent compared to last quarter. During the fourth quarter of 2004, 5,614 new houses were completed and began enrollment in a new home warranty program. Half of these houses cost more than \$360,000. The median sales price last quarter was \$349,900. Hunterdon and Bergen Counties had the highest priced homes. The median sales price of a new home in Hunterdon County was \$649,220. The median sales price in Bergen County was \$579,500.

New House Prices			
Period	Number of New Houses	Median Sales Price	Percent Change in Sales Price
1996	20,903	\$183,300	
1997	21,640	\$190,000	3.7%
1998	23,884	\$209,980	10.5%
1999	24,479	\$224,496	6.9%
2000	25,058	\$231,728	3.2%
2001	23,372	\$253,670	9.5%
2002	23,647	\$274,705	8.3%
2003	22,226	\$307,168	11.8%
1 st Quarter 2003	4,465	\$295,000	
2 nd Quarter 2003	5,540	\$300,793	2.0%
3 rd Quarter 2003	6,901	\$307,950	2.4%
4 th Quarter 2003	6,130	\$319,938	3.8%
1 st Quarter 2004	4,280	\$323,870	1.3%
2 nd Quarter 2004	5,513	\$349,900	8.0%
3 rd Quarter 2004	5,475	\$349,900	0.0%
4 th Quarter 2004	5,614	\$360,000	
Source: N.J. Department of Community Affairs, 2/7/05			